WILLIAMSON COUNTY PURCHASING POLICIES AND PROCEDURES

I. INTRODUCTION AND APPLICABLE PURCHASING LAWS.

It is the intent of the Williamson County Purchasing Commission and the Purchasing Agent to establish regulations and procedures to provide for a centralized, efficient and fiscally responsible system for the purchase of materials and services necessary for the effective operations of the County government and to ensure the administration of such system is in accordance with the highest ethical and fiscal standards and applicable laws.

Williamson County is a governmental entity that is subject to both State and local procurement laws and rules. Williamson County is subject to the County Purchasing Law of 1957 ("Act") and these purchasing policies and procedures. The Act establishes a centralized purchasing system with the Purchasing Agent as the authorized purchaser for the County.

II. PREPARATION OF PURCHASE REQUISITIONS

To request purchases of materials or services, the requesting department shall complete a requisition form describing the materials or services that it needs and submit the completed requisition to the purchasing agent. In preparing the requisition, the department should include such pertinent facts as department name, date, the department's account to be charged, anticipated delivery date, delivery point, complete description of article, quantity of material requested, unit price quoted and total price. No purchases shall be made by department heads or any other department employee unless an emergency purchase is required.

No purchase shall be made or contract of purchase issued but in consequence of a written requisition for the supplies, materials, equipment or contractual services required. All requisitions shall be signed by the head of the requesting department, office or agency of the County. Original copies of all such requisitions shall be kept on file in the office of the County Purchasing Agent.ⁱ

The County Purchasing Agent is authorized to purchase and contract to purchase materials, supplies, equipment and contractual services on a fiscal year basis, but no commitment shall be made which extends beyond the end of the current fiscal year for which appropriations have been made by the County legislative body, except such commitments as are authorized by resolution of the County legislative body. ii

Requisitions for items estimated to cost an amount such as to require public newspaper notice shall not be subdivided in order to circumvent the requirement for public newspaper notice as herein provided.ⁱⁱⁱ

III. SOLICITING BIDS

Unless otherwise provided by Tennessee law, all purchases of and contracts for purchase of supplies, materials, equipment and contractual services, and all contracts for the lease or rental of

Tennessee Code Annotated, Section 5-14-101 et seg.

equipment, and all sales of County-owned property which has become surplus, obsolete or unusable, shall be based wherever possible on competitive bids.^{iv}

In accordance with the 1957 Purchasing Act, the Williamson County Board of Commissioners established that purchases that do not exceed \$10,000.00 may be purchased without soliciting bids. Items purchased at less than this limit should, whenever possible, be based upon at least 3 competitive bids. All purchases in amounts less than the limit for sealed bids must follow the requisition and purchase order system as outlined herein. The lowest responsible and responsive bid should be sought in all cases. vi

All bids taken under the requirements of this part, and all other documents, including purchase orders pertaining to the award of contracts on such successful bids, shall be preserved for a period of 5 years. VII Copies of contracts shall be retained for a minimum of 7 years.

a. Reverse Auctions.

A reverse auction is an auction in which an item is posted for a certain time period and bidders may bid on the item several times with the intent of driving the cost of items and services down. Pursuant to *Tenn. Code Ann. § 12-3-1012*, Williamson County may purchase goods or services through a competitive reverse auction process that allows offerors to bid on specified goods or services electronically and adjust bid prices during a specified time period. Prior to initiating a reverse bidding procedure, the County is required to file a plan with the comptroller of the treasury. VIII

The County may not use reverse auctions to purchase the following goods or services:

- 1. Any construction services which exceed \$25,000.00. ix Construction services related to maintenance, repairs or renovations that are less than \$25,000.00 may be obtained through a reverse auction;
- 2. Architectural or engineering services;
- 3. The purchase of new or unused motor vehicles unless the vehicle is manufactured for a special purpose such as school buses, garbage trucks, fire trucks or ambulances; and
- 4. New or unused construction equipment.

At the conclusion of the auction, an award may be made to the offeror determined to be the lowest responsible and responsive bidder.

Each bid, with the name and address of the bidder, shall be recorded and the names of the bidders, the amounts of their bids and the name of the successful bidder shall, after the award, be open to public inspection.

The County may contract with a private contractor to conduct the reverse bidding as long as the procedure meets the requirements contained in this Purchasing Policy and with the 1957 Purchasing Act. To facilitate participation of small businesses and minority owned businesses, the County, or if a private contractor is used, the private contractor will ensure that there is a mechanism in place to facilitate participation of small and minority owned businesses in a reverse auction.^x

b. Notice Requirements.

Sealed bids shall be solicited by public notice inserted at least once in a newspaper of Countywide circulation, 14 days prior to the date of submitting bids.

Reverse auctions shall be solicited by public notice inserted at least once in a newspaper of countywide circulation 5 days prior to the first day bids can be submitted.^{xi}

c. Selection of Bidder.

All sealed bids received shall be opened publicly at the time and place fixed in the advertisement. Each bid, with the name and address of the bidder, shall be entered on a record, and each record with the names of the bidders, the amounts of their bids, and the name of the successful bidder indicated thereon, shall, after the award or contract or order, be open to public inspection. XIII

All open market purchases or contracts made by the County Purchasing Agent shall be awarded to the lowest responsible and responsive bidder, taking into consideration the quality of the articles to be supplied, their conformity with specifications, their suitability to the requirements of the County government, and the delivery terms. Any and all bids may be rejected for good cause. Xiiii

The County may purchase materials, supplies, commodities and equipment from any federal, state or local governmental unit or agency, without conforming to the competitive bidding requirements.xiv

All successful bids received through reverse auctions should be preserved for a minimum period of 7 years. All unsuccessful bids received through reverse auctions should be preserved for a minimum period of 5 years.

IV. INFORMAL BIDDING

All purchases in amounts that do not require bid solicitation may be made by the County Purchasing Agent in the open market without newspaper notice, but shall whenever possible be based upon at least 3 competitive bids. Competitive bids may be solicited by telephone, fax machine or email. If the purchase is \$10,000.00 or less, and bids are obtained, a record of these bids should be maintained and a copy submitted to the Purchasing Agent attached to the requisition at the time the purchase order is requested.

Fuel and fuel products may be purchased in the open market without public newspaper notice, but shall whenever possible be based on at least 3 competitive bids.

V. PREPARING PURCHASE ORDERS

All purchases of supplies, material, equipment or contract for services must be evidenced by a written purchase order signed by the Purchasing Agent, which shall give all significant details respecting such order or contract.

One copy of such order shall be furnished to the vendor, one copy shall be furnished to the County department head, and at least two copies shall be retained in the office of the County Purchasing Agent, one filed in numerical order and one filed alphabetically.

All purchases shall be made within the limits of the approved budget and the appropriations made for the department, office or agency for which the purchase is made.

VI. INSPECTING AND TESTING RECEIVED GOODS

The department or agency receiving materials, supplies or equipment that they have requested shall inspect those items as received for damage, shortages, errors in items shipped or other problems that need to be addressed before payment is made to the vendor.

Delivery documents such as packing slips, bills of lading, delivery tickets or freight bills should be signed and dated by the department receiving the goods and notations of any shortages, damage or other problems should be made on the receiving document including the copy that is retained by the delivery agent. Notations of these problems should also be signed and dated by the delivery agent and forwarded to the Purchasing Agent.

In the case of damaged goods, all original packaging should be retained for possible inspection by delivery agent or claims adjusters.

In situations where goods are to be returned, be sure to follow vendors instructions and request prior authorization before returning goods.

VII. MAKING PAYMENT FOR GOODS

Except in emergencies, no order for delivery on a contract or open market order for supplies, materials, equipment or contractual services for any County department or agency shall be awarded unless it is first certified by the director of accounts and budgets, or other authorized County official or employee in charge of the central accounting records of the County that the unencumbered balance in the appropriation chargeable with such purchase in excess of all unpaid obligations, is sufficient to defray the entire cost of such order or contract.^{xv}

Every effort will be made to issue payment for supplies, materials, equipment or services within the terms agreed to with the vendor. Special discount terms offered by vendors should be noted on the purchase order. Payments shall be made within discount terms whenever possible.

VIII. EXCEPTIONS TO THE NORMAL PURCHASING PROCESS

a. Emergency Purchases.

The County Purchasing Agent may authorize any department or agency of the County government to purchase in the open market, without filing requisition or estimate, any supplies, materials or equipment for immediate delivery in actual emergencies arising from unforeseen causes. Emergencies shall not include any situations or conditions arising from neglect or indifference in anticipating normal needs. XVI

Only the County Purchasing Agent is authorized to make emergency purchases unless the office of the County Purchasing Agent is closed at which time the direct emergency purchase may be made only by the department or agency head. xvii

A report of such emergency purchase, when made by a department or agency head, together with a record of the competitive bids secured and upon which it was based, shall be submitted in writing to the County Purchasing Agent.^{xviii}

Professional Services.

Contracts for legal services, auditing services by certified public accountants, and similar services by professional persons or groups of high ethical standards shall not be based on competitive bids but shall be awarded on the basis of recognized competence and integrity. This exception to the competitive bidding requirement shall not prohibit the County from interviewing eligible persons or groups to determine the capabilities of such persons or groups.

c. Fixed Price Items.

Bids are not required for services provided at a rate or price fixed by a public authority authorized by law to fix such rates or prices, such as utilities. xxi

d. Sole Source Item.

Any goods or services which may not be purchased by competitive bids because of the existence of a single source of supply may be purchased without the requirement for competitive bidding. A record of such sole source purchases must be maintained by the person or agency authorizing such purchase.

A completed Sole Source Justification Letter shall be submitted by the department requesting sole source status and must be submitted with the requisition request.

A "sole source" letter from the vendor must also be attached. This letter must indicate that the item(s) is not available from any other source. The letter will also document the quotation and the quotation must include any shipping charges. If the vendor will not supply the written documentation, the order will not be considered sole source and will be subject to the competitive bidding process.

e. Purchases Exempt from Purchase Orders.

The following purchases are exempt from purchase orders:

- 1. Utilities (water, telephone, electric, gas)
- 2. Postage and Shipping Charges
- 3. Travel Reimbursements
- 4. Seminars
- 5. Dues
- 6. Memberships
- 7. Subscriptions
- 8. Drug and Medical Costs for Inmates
- 9. Refunds
- 10. Payroll Costs
- 11. Court Costs, Legal Fees
- 12. Maintenance Agreements
- 13. Lease Payments (PO for 1st month lease only)

IX. CONTRACTS

All County contracts shall be approved as to form by the County attorney prior to execution of the contracts. Failure to obtain the County attorney's approval may be considered an ultra vires act making the entire agreement void and of no effect.

All contracts shall be signed by the County Mayor, unless the requisition is an emergency purchase and the County Mayor is not available to sign the contract then the Purchasing Agent may sign the agreement in the absence of the Mayor.

X. TECHNICAL ASSISTANCE

The County Purchasing agent may request the assistance of any department head or other qualified County employee in purchasing specialized material or equipment. In cases where purchases of specialized material or equipment requires a public notice for competitive bids, such assistance may include the writing of the specifications for the items to be bid.

In the specific area of computer hardware and software, all requests by department heads for purchase requisitions of computer equipment or software will first be reviewed by the Williamson County Department of Information Technologies before the County Purchasing Agent will issue a purchase order for the requested equipment or software.

XI. PROHIBITED SOURCES

No purchase shall be made or purchase order or contract of purchase issued for tangible personal property or services from any firm or individual whose business tax or license is delinquent. xxii

The County shall not purchase from any vendor that has within a 3-year period preceding the bid opening date, been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

Unless the purchase is an emergency purchase, no purchase shall be made from a vendor that has within a 3-year period preceding the bid opening date had one or more public transactions (Federal, State or local) terminated for cause or default.

XII. MISCELLANEOUS

All sales of County owned property, which has become surplus, obsolete or unusable shall be made by public auction or by sealed bid, in the discretion of the Purchasing Agent. Notice of all such auctions or sales shall be inserted in a newspaper of countywide circulation at least 5 days prior to the date of such auction. All sales by the Purchasing Agent shall be made to the highest bidder.

Neither the County Purchasing Agent, nor members of the county purchasing commission, nor members of the County legislative body, nor other officials of the County, shall be financially interested, or have any personal beneficial interest, either directly or indirectly, in any contract or purchase order for any supplies, material, equipment or contractual services used by or furnished to any department or agency of the County government.^{xxiii}

Nor shall any persons accept or receive, directly or indirectly, from any person, firm or corporation to which any contract or purchase order may be awarded, by rebate, gift or otherwise, any money or anything of value whatsoever, or any promise, obligation or contract for future reward or compensation. *xxiv*

All purchasing procedures are based on and subject to the "County Purchasing Law of 1957".

XIII. FAILURE TO COMPLY

The County shall not be liable for the payment of any purchase of supplies, materials, equipment or contractual services which are not made in accordance with the provisions of the County Purchasing Law of 1957 or this Purchasing Policy. The individual making the purchase contrary to its provisions of the County Purchasing Law of 1957 or this Purchasing Policy may be liable for the cost of the purchase.

Revised 04/23/2012

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End Notes
     Tenn. Code Ann. § 5-14-108(k).
          Tenn. Code Ann. § 5-14-108(m)(1).
iii
          Tenn. Code Ann. § 5-14-108(d)(2).
iv
          Tenn. Code Ann. § 5-14-108(a)(1).
          See Resolution 11-07-9 as adopted by the Williamson County Board of Commissioners
      Adopted pursuant to Tenn. Code Ann. § 5-14-108(c)(1).
          Tenn. Code Ann. § 5-14-108.
vii
          Tenn. Code Ann. § 5-14-108
viii
          Williamson County submitted a plan to the Tennessee Comptroller of the Treasury in November 2009.
ix
          The reason for this exclusion is to ensure compliance with the contractor's licensing laws. Currently, a
   contractor is required to provide proof of licensing prior to submitting a price for projects over $25,000.
          Tenn. Code Ann. § 12-3-1012
хi
          Tenn. Code Ann. § 12-3-1012(b)
xii
          Tenn. Code Ann. § 5-14-108(i).
xiii
          Tenn. Code Ann. § 5-14-108(f).
xiv
          Tenn. Code Ann. § 5-14-108(b).
xv
          Tenn. Code Ann. § 5-14-109.
xvi
          Tenn. Code Ann. § 5-14-110(a)
xvii
          Tenn. Code Ann. § 5-14-110(b)
          Tenn. Code Ann. § 5-14-110(b)(3)
xix
          Tenn. Code Ann. § 5-14-108(a)(2).
          Tenn. Code Ann. § 5-14-108(a)(4).
xxi
          Tenn. Code Ann. § 5-14-108(a)(3).
          Tenn. Code Ann. § 5-14-108(I).
xxiii
         Tenn. Code Ann. § 5-14-114(a).
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Tenn. Code Ann. § 5-14-114(b).

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